

JS-6

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

BRETT M. BARTLETT, SCOTT A.
MILLER, DYNASTY TOYS, INC.,
THE 7M EGROUPO CORP.,
CONCEPT MANAGEMENT
COMPANY LLC, and DYNASTY,
INC.,

Defendants.

Case No. 8:23-cv-00765-CJC(JDEx)

**FINAL JUDGMENT AS TO
DEFENDANT DYNASTY TOYS, INC.**

1 The Clerk entered default against Defendants Brett M. Bartlett, Scott A. Miller,
2 Dynasty Toys, Inc., The 7M eGroup Corp., Concept Management Company LLC
3 (“CMC”), and Dynasty, Inc. (collectively, “Defaulting Defendants”) for failing to
4 answer or otherwise respond to the Complaint. Dkt. Nos. 20-25. Plaintiff Securities
5 and Exchange Commission (“SEC” or “Commission”) moved for default judgment
6 against all Defendants (Dkt. No. 29), which the Court GRANTED. (Dkt. No. 35.)

7 I.

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
9 Dynasty Toys, Inc., is permanently restrained and enjoined from violating, directly
10 or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange
11 Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R.
12 § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the
13 mails, or of any facility of any national securities exchange, in connection with the
14 purchase or sale of any security:

- 15 (a) to employ any device, scheme, or artifice to defraud;
16 (b) to make any untrue statement of a material fact or to omit to state a
17 material fact necessary in order to make the statements made, in the light
18 of the circumstances under which they were made, not misleading; or
19 (c) to engage in any act, practice, or course of business which operates or
20 would operate as a fraud or deceit upon any person.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
22 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
23 binds the following who receive actual notice of this Judgment by personal service or
24 otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and
25 (b) other persons in active concert or participation with Defendant or with anyone
26 described in (a).

27 II.

28 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that

1 Defendant Dynasty Toys, Inc., is permanently restrained and enjoined from violating
2 Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §
3 77q(a)] in the offer or sale of any security by the use of any means or instruments of
4 transportation or communication in interstate commerce or by use of the mails,
5 directly or indirectly:

- 6 (a) to employ any device, scheme, or artifice to defraud;
- 7 (b) to obtain money or property by means of any untrue statement of a
8 material fact or any omission of a material fact necessary in order to
9 make the statements made, in light of the circumstances under which
10 they were made, not misleading; or
- 11 (c) to engage in any transaction, practice, or course of business which
12 operates or would operate as a fraud or deceit upon the purchaser.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
14 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
15 binds the following who receive actual notice of this Judgment by personal service or
16 otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and
17 (b) other persons in active concert or participation with Defendant or with anyone
18 described in (a).

19 III.

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
21 Defendant Dynasty Toys, Inc., is permanently restrained and enjoined from violating
22 Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the
23 absence of any applicable exemption:

- 24 (a) Unless a registration statement is in effect as to a security, making use of
25 any means or instruments of transportation or communication in interstate commerce
26 or of the mails to sell such security through the use or medium of any prospectus or
27 otherwise;
- 28 (b) Unless a registration statement is in effect as to a security, carrying or

1 causing to be carried through the mails or in interstate commerce, by any means or
2 instruments of transportation, any such security for the purpose of sale or for delivery
3 after sale; or

4 (c) Making use of any means or instruments of transportation or
5 communication in interstate commerce or of the mails to offer to sell or offer to buy
6 through the use or medium of any prospectus or otherwise any security, unless a
7 registration statement has been filed with the Commission as to such security, or
8 while the registration statement is the subject of a refusal order or stop order or (prior
9 to the effective date of the registration statement) any public proceeding or
10 examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
12 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
13 binds the following who receive actual notice of this Final Judgment by personal
14 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
15 attorneys; and (b) other persons in active concert or participation with Defendant or
16 with anyone described in (a).

17 IV.

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
19 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
20 binds the following who receive actual notice of this Final Judgment by personal
21 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
22 attorneys; and (b) other persons in active concert or participation with Defendant or
23 with anyone described in (a).

24 V.

25 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
26 Defendant Dynasty Toys, Inc., is liable for disgorgement of \$3,792,547.56, jointly
27 and severally, with Defendant Brett M. Bartlett and Defendant Scott M. Miller,
28 representing net profits gained as a result of the conduct alleged in the Complaint,

1 together with prejudgment interest thereon in the amount of \$501,343.09, for a total
2 of \$4,293,890.65 in disgorgement and prejudgment interest, and a civil penalty in the
3 amount of \$1,116,140 pursuant to Section 20(d) of the Securities Act [15 U.S.C. §
4 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

5 Defendant shall satisfy this obligation by paying \$5,410,030.65 to the
6 Securities and Exchange Commission within 30 days after entry of this Final
7 Judgment. Defendant may transmit payment electronically to the Commission, which
8 will provide detailed ACH transfer/Fedwire instructions upon request. Payment may
9 also be made directly from a bank account via Pay.gov through the SEC website at
10 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
11 check, bank cashier's check, or United States postal money order payable to the
12 Securities and Exchange Commission, which shall be delivered or mailed to

13 Enterprise Services Center

14 Accounts Receivable Branch

15 6500 South MacArthur Boulevard

16 Oklahoma City, OK 73169

17 and shall be accompanied by a letter identifying the case title, civil action number,
18 and name of this Court; Dynasty Toys, Inc. as a defendant in this action; and
19 specifying that payment is made pursuant to this Final Judgment.

20 Defendant shall simultaneously transmit photocopies of evidence of payment
21 and case identifying information to the Commission's counsel in this action. By
22 making this payment, Defendant relinquishes all legal and equitable right, title, and
23 interest in such funds and no part of the funds shall be returned to Defendant.

24 The Commission may enforce the Court's judgment for disgorgement and
25 prejudgment interest by using all collection procedures authorized by law, including,
26 but not limited to, moving for civil contempt at any time after 30 days following entry
27 of this Final Judgment.

28 The Commission may enforce the Court's judgment for penalties by the use of

1 all collection procedures authorized by law, including the Federal Debt Collection
2 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the
3 violation of any Court orders issued in this action. Defendant shall pay post
4 judgment interest on any amounts due after 30 days of the entry of this Final
5 Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,
6 together with any interest and income earned thereon (collectively, the “Fund”),
7 pending further order of the Court.

8 The Commission may propose a plan to distribute the Fund subject to the
9 Court’s approval. Such a plan may provide that the Fund shall be distributed
10 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
11 2002. The Court shall retain jurisdiction over the administration of any distribution
12 of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

13 Regardless of whether any such Fair Fund distribution is made, amounts
14 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as
15 penalties paid to the government for all purposes, including all tax purposes. To
16 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or
17 reduction of any award of compensatory damages in any Related Investor Action
18 based on Defendant’s payment of disgorgement in this action, argue that it is entitled
19 to, nor shall it further benefit by, offset or reduction of such compensatory damages
20 award by the amount of any part of Defendant’s payment of a civil penalty in this
21 action (“Penalty Offset”). If the court in any Related Investor Action grants such a
22 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting
23 the Penalty Offset, notify the Commission’s counsel in this action and pay the amount
24 of the Penalty Offset to the United States Treasury or to a Fair Fund, as the
25 Commission directs. Such a payment shall not be deemed an additional civil penalty
26 and shall not be deemed to change the amount of the civil penalty imposed in this
27 Judgment. For purposes of this paragraph, a “Related Investor Action” means a
28 private damages action brought against Defendant by or on behalf of one or more

1 investors based on substantially the same facts as alleged in the Complaint in this
2 action.

3 VI.

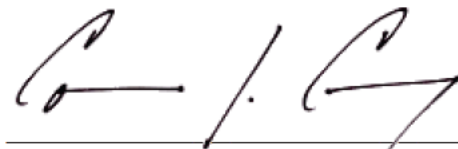
4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
5 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
6 Judgment.

7 VII.

8 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
9 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith
10 and without further notice.

11 IT IS SO ORDERED.

12 Dated: September 19, 2023

A handwritten signature in black ink, appearing to read 'C. J. Carney', is written over a horizontal line.

HONORABLE CORMAC J. CARNEY
UNITED STATES DISTRICT JUDGE